

FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: UIA Wage & Hour Division **PROGRAM:** Wage & Hour

TIMELINE:

October 1, 2007 through September 30, 2008

PROGRAM STATEMENT

The Wage & Hour Division is responsible for administration and enforcement of four (4) state laws:

1. Payment of Wages & Fringe Benefits Act, Act 390 of 1978;
2. Michigan Minimum Wage Act, Act 154 of 1964;
3. Youth Employment Standards Act, Act 90 of 1978;
4. Prevailing Wage Act, Act 166 of 1965.

FUND SOURCE:

State Restricted Funds

LEGAL BASIS:

See Program Statement

CUSTOMER IDENTIFICATION:

Customers - Citizens of the State of Michigan

Stakeholders - Governors Office; citizens of the State of Michigan

The Division provides a service to individuals seeking unpaid wages or fringe benefits, through the investigation of claims and disbursement of collections received. The Division educates employers about their legal responsibilities pertaining to wages, fringe benefits, minimum wage & overtime issues; regulates the safety of minors in the workplace; establishes and issues prevailing wage rates for state construction projects; and, handles over 35,000 informational telephone calls annually, as well as hundreds of e-mails and other contacts, and conducts thousands of informational contacts yearly.

During the period of October 1, 2006 through September 30, 2007: partly occasioned to two additional investigators

- October 1, 2006, Michigan Minimum Wage increased from \$5.15 to \$6.95, the first increase in 9 years. As a result, the division made nearly 6,000 public contacts regarding changes in the law.
- The Division received 7,026 claims, a 13% increase from the previous fiscal year. The largest number of increased claims came from Minimum Wage complaints. Wage & Hour investigators completed 7,273 investigations, an increase of 21%, from the previous year. The largest number again from Minimum Wage. 70% of investigations were completed within 90 days of the claim opening and 74% of completions were resolved informally.
- The Division collected for Michigan workers \$2,915,133 in unpaid wage claims. This number represents the highest Wage & Hour collections on record. Compared to FY 06, FY 07 collections for Act 390 were up 26%; collections for Michigan Minimum Wage up 124%; and collections for Prevailing Wage Act complaints were up 52%.
- The increased Division contacts, completed investigations and higher collections are partly occasioned due to the two additional investigators positions added to the Division.

CHALLENGES:

Normal day-to-day efforts to keep up with caseload---as unemployment rises/stays high, We see an increase in complaints from workers on non-payment/lack of full pay.